

Message Text

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61

ORIGIN TRSE-00

INFO OCT-01 EA-11 ISO-00 EB-11 L-03 SS-20 NSC-07 SP-03

RSC-01 /057 R

66605

DRAFTED BY: TRSY/OS:MDFIELD

APPROVED BY: EB/IFD/OMA:JKRIZAY

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EB/IFD/OMA:MMINNIES

EA/IMS:ADORNHEIM

L/T:MMCQUADE

----- 109798

R 181715Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

UNCLAS STATE 078854

E.O. 11652: N/A

TAGS: EFIN

SUBJ: INCOME TAX CONVENTION

REF: JAKARTA 4610

1. THE UNITED STATES SIGNED IN DECEMBER 1966 AN INCOME TAX TREATY WITH TRINIDAD AND TOBAGO, WHICH IS NOW IN FORCE. IT DOES NOT CONTAIN AN INVESTMENT INCENTIVE. WE ARE ABOUT TO SIGN AN INCOME TAX CONVENTION WITH CYPRUS AND EXPECT TO SIGN INCOME TAX CONVENTIONS WITH KOREA, JAMAICA AND TAIWAN IN THE NEAR FUTURE. NEGOTIATIONS WITH KENYA AND ZAMBIA ARE AT AN ADVANCED STAGE. NONE OF THESE CONTAINS AN INVESTMENT INCENTIVE.

2. THERE IS ALSO IN EFFECT AN INCOME TAX CONVENTION WITH PAKISTAN, SIGNED IN JULY 1957. THAT CONVENTION AS SIGNED CONTAINED A "TAX-SPARING" CREDIT, BUT THE SENATE CONSENTED TO RATIFICATION WITH A RESERVATION ON THAT PROVISION. PAKISTAN ACCEPTED THE RESERVATION SO THE CONVENTION IS IN EFFECT WITHOUT THE TAX-SPARING PROVISION.

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3. THESE ARE THE ONLY INCOME TAX CONVENTIONS DIRECTLY NEGOTIATED

BETWEEN THE UNITED STATES AND DEVELOPING COUNTRIES. THERE IS NO IN-
COME TAX CONVENTION IN EFFECT WITH ANY COUNTRY WHICH PROVIDES A
TAX SPARING CREDIT OR SIMILAR INVESTMENT INCENTIVE, NOR IS THERE
ANY BASIS FOR OPTIMISM THAT SUCH A PROVISION WOULD BE APPROVED.
KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, INCOME TAXES, TAX AGREEMENTS
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Draft Date: 18 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: TRSY/OS:MDFIELD
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30 JUN 2005

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